

MINUTES
BOARD OF SUPERVISORS
COUNTY OF YORK

Adjourned Meeting
February 21, 2001

7:30 p.m.

Meeting Convened. An Adjourned Meeting of the York County Board of Supervisors was called to order at 8:00 p.m., Wednesday, February 21, 2001, in the Conference Center, York County School Board Offices, by Chairman James S. Burgett.

Attendance. The following members of the Board of Supervisors were present: Walter C. Zarembo, Donald E. Wiggins, and James S. Burgett.

Mr. Ashe and Mrs. Noll were absent.

Also in attendance were James O. McReynolds, County Administrator; and James E. Barnett, County Attorney.

JOINT MEETING WITH THE YORK COUNTY SCHOOL BOARD

STATUS OF SCHOOLS FY2002 BUDGET PROCESS

School Board Members Present: (Arrived at 8:18 p.m.) R. Page Minter, Chairman; Barbara Haywood, and Mark A. Medford.

Also attending were Steven R. Staples, Superintendent of Schools; Richard Hixson, Deputy Superintendent of Operations; Valerie A. Taylor, Assistant Superintendent for Instruction; and Dennis Jarrett, Director of Finance.

Mr. Jarrett apologized for the absence of the School Board members and the Superintendent, explaining that they were held up in a student expulsion hearing and would be present as soon as possible. He then began the presentation concerning the status of the proposed FY2002 budget for the school system by reviewing the revenue assumptions taken into consideration in its development. These assumptions include: a 10-student increase over last year's projections; a 1.9 percent increase in state funding; a 3.4 percent increase in federal funding; a 4.1 percent increase in local funding; and a 10.2 percent increase in other funding. He noted this was the smallest increase in state funding to be projected in the last five years.

Discussion followed regarding impact aid and funding problems with the New Horizons Program.

Mr. Jarrett continued the presentation indicating that the total budget projected for the School Division for FY2002 is \$77,189,532, an increase of \$2,234,995, or 3 percent, over FY2001. He then noted that the proposed budget will have an expenditure reduction in that the Virginia Retirement System has reduced the rate paid by the employer from 12.92 percent to 9.24 percent, or a savings of 3.68 percent.

Dr. Staples arrived at 8:15 p.m. and took over the presentation. He discussed the School Division's expenditures by function, noting that personnel costs equal 83 percent of total expendi-

tures. He then reviewed the pattern of the School Division's revenue sources, stating the State is just about 50 to 51 percent of the operating budget, and the federal revenue was beginning to rise again. The per pupil cost averages \$6,536, and Dr. Staples explained how this figure includes special education students which skews the average because of their individual high cost for services provided. He stated the per pupil cost average is useful in terms of telling the School Division where it stands in relation to other localities. Dr. Staples then discussed County funding and the pattern of funding over the past few years. He indicated that the state figure is more of a question this year than it has ever been. The School Board has used a very conservative approach by using the House (General Assembly) numbers. If the House budget is not adopted, the School Board will be looking at a very large hole to fill. Education and Social Services are where the cuts are projected if the Governor has to balance the budget. Dr. Staples then noted that the School Board will be conducting its public hearing on the proposed Schools budget on February 26 with approval due on March 12. The School Board has made a commitment to provide the Board of Supervisors with a balanced budget.

Mr. Zaremba asked if there was any sense from the General Assembly that the budget won't be adopted.

Mr. Medford stated he had talked with Delegate Rapp's office this afternoon, and there appears to be a lot of friction in the General Assembly concerning the budget.

Mr. Wiggins noted he had talked to Senator Norment who feels there will be a compromise at about 60 percent of the car tax.

Mr. Zaremba then stated he felt it would be interesting to the Board to know if the County is on track with the technology program. He asked if it seemed to be working in terms of being positive to the education process.

Dr. Staples indicated the school division was in the 4th year of a 5-year implementation program, and it is on target. There are only four more schools to go to complete the infusion. The teachers have been very positive, and there is a significant difference in how students and instructors are using it.

Mr. McReynolds then noted that it looked like the County will have a higher revenue increase than previously anticipated because of new construction. There might be another \$150,000 to add to the School Board budget.

Discussion followed on the high cost of special education children and the difficulty trying to budget for the unknown. Also discussed briefly was the Magnet School Program and one of its benefits being the moving of students from the crowded southern end of the County to the northern end.

Mr. Zaremba asked when the Board should expect to become involved with the School Board's shortfall.

Mr. McReynolds stated that with regard to the Board's involvement in the School Board's budget process, it was a process of the Board determining how much it can supply to the school system, and the School Board sets the priorities as to how to apply those funds. He stated he had already cut \$2.7 million out of the County's budget requests. Mr. McReynolds indicated he should have a final figure for the School Board by March 6.

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Chairman Burgett indicated this was going to be a tight year, but next year will be better because of the reassessment. The School Board should get the original projected increase of \$1.1 million over last year's budget and perhaps a little more.

A short discussion followed concerning the impact aid reserve fund and how it has not been used for operating costs.

Mr. McReynolds then brought up the subject of grounds maintenance, stating staff has had some discussion back and forth with the school system, and he understood there was some question by the School Board regarding the costs. He explained how the agreement for the grounds maintenance funding for the school system came about. He noted that what has evolved today is a formula that the federal auditors have reviewed and found to be acceptable, and it has worked well for the County through the years. This has been a transfer to maximize the federal return for the school system. Mr. McReynolds stated if the School Board wishes a different cost allocation method for grounds maintenance, the County staff was willing to talk about it. He reminded the School Board that for every dollar reduced in the budget, there would be a corresponding reduction in federal impact aid.

Mr. Medford indicated that the schools' allocation originally from the Supervisors was \$1.1 million for next year, but it isn't a true \$1.1 million because some of it includes the grounds maintenance increase.

Mr. McReynolds stated that the cost to the school system for grounds maintenance goes up to the extent the overall cost of grounds maintenance goes up.

Mr. Hixson questioned whether or not it was a higher priority to have a true costing of the schools grounds maintenance costs or a formula that maximizes non-local dollars for impact aid purposes.

Mr. McReynolds responded that the County and schools had developed the formula together which had been reviewed by the federal auditors and found to be an acceptable method of cost allocation.

Chairman Burgett indicated if it was the desire of the School Board, the County could just allocate the \$500,000 for grounds maintenance back into the County budget if the School Board was not interested in maximizing impact aid.

Dr. Staples explained the main focus was not how to account for the funds but how two organizations share a service. The School Board's frustration is that there are high costs through accounting and low control, and no one can explain where the services are by contract and what is done beyond contract. Dr. Staples stated the difference between what is real and what is due to accounting was not clear to the school system.

Mr. McReynolds noted some of the other areas include the construction of fields and snow removal. He stated he was aware of the fact that the Superintendent has asked for this information, and staff has been directed to provide a list of grounds maintenance services provided to the school system. He noted he also has asked for a better accounting of what is done and when it is done. Mr. McReynolds stated he understood the school division to be satisfied with the quality of work done by the Grounds Maintenance crew.

Dr. Staples stated there were things that just weren't being done.

Mr. McReynolds indicated the two staffs needed to sit down and talk about the situation.

Discussion followed concerning another vendor proposal received for grounds maintenance services that indicated the schools grounds could be done for a lower cost.

Mr. Hixson stated the two staffs need to get together and come up with a set of specifications by which all the County grounds will be maintained and then put it out to bid in order to see if there can be some cost savings.

Meeting Adjourned. At 9.35 p.m. Chairman Burgett declared the meeting adjourned sine die.

James O. McReynolds, Clerk
York County Board of Supervisors

James S. Burgett, Chairman
York County Board of Supervisors